REMARKS

The Office Action in the above-identified application has been carefully considered and this amendment has been presented to place this application in condition for allowance. Accordingly, reexamination and reconsideration of this application are respectfully requested.

Claims 1–35 are in the present application. It is submitted that these claims, as originally presented, are patentably distinct over the prior art cited by the Examiner and are in full compliance with the requirements of 35 U.S.C. § 112. Changes to the claims, as presented herein, are not made for the purpose of patentability within the meaning of 35 U.S.C. sections 101, 102, 103 or 112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled. Claims 34 and 35 have been added.

The title of the invention was objected to for not being descriptive. In response, Applicants have replaced the title with the new title suggested by the Examiner. Therefore, Applicants believe this objection has been overcome.

Claims 1-17 were objected to because of an ambiguity as to whether the first or second data is being embedded. In response, Applicants have amended the preamble of claims 1, 16, and 17 to recite "embedding second data in first data" as suggested by the Examiner. Accordingly, Applicants believe this objection has been overcome.

Claims 1-3, 5, 12-14, 16-20, and 28-33 were rejected under 35 U.S.C. § 102(b) as being anticipated by Morimoto et al. (U.S. Patent 6,005,643). As the Examiner points out, Morimoto

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discloses a method of embedding additional information into coded data using the Embedding

rule disclosed at Column 6, Lines 50-60. Importantly, "this embedding rule is one where bit

information is caused to correspond to the prediction type of macroblock." (Column 6, lines 46-

47) In other words, the additional information is indicative of the prediction rule used to embed

the data. Whereas, in the present invention, "said coded data includes no information on the

prediction method." (Claims 1, 16-18, and 32-35) This novel feature of the invention allows for

"coded data can be decoded into the original image (an image without deterioration in image

quality) and added information, without any overhead for decoding." (Specification page 59)

"The prediction method to be used for predicting the pixel of interest is selected based on added

information, and the pixel of interest is predicted based on the selected prediction method,

thereby obtaining the prediction margin of error of the prediction value, so that prediction margin

of error can be decoded into the original pixel value and added information by recognizing the

prediction method." (Specification page 59) Since Morimoto uses an embedding rule that adds

information relating to the prediction method, it cannot meet the present invention's limitation

that "said coded data includes no information on the prediction method." Accordingly, for at

least these reasons, Morimoto fails to anticipate the present invention and the rejected claims
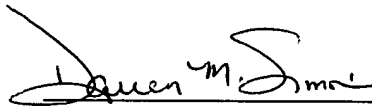
should now be allowed.

Applicants acknowledge with appreciation the indication by the Examiner that claims 4,

6-11, 15, and 21-27 would be allowable if rewritten in independent form including all of the

limitations of the base claim and any intervening claims. However, in view of the arguments

presented above, Applicants have decided not to amend these claims at this time.

In view of the foregoing amendment and remarks, it is respectfully submitted that the application as now presented is in condition for allowance. Early and favorable reconsideration of the application are respectfully requested.

A fee for additional independent claims in excess of three is deemed to be required for the filing of this amendment. No additional fees are anticipated, but if such are required, the Examiner is hereby authorized to charge any insufficient fees or credit any overpayment associated with the above-identified application to Deposit Account No. 50-0320.

If any issues remain, or if the Examiner has any further suggestions, he/she is invited to call the undersigned at the telephone number provided below. The Examiner's consideration of this matter is gratefully acknowledged.

Respectfully submitted,
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